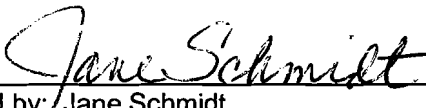



**U.S. DEPARTMENT OF THE INTERIOR
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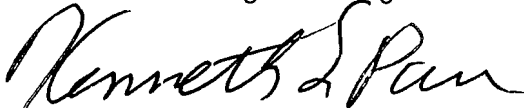
**Mid-Pacific Region
Lahontan Basin Area Office, Carson City, Nevada**

**Finding of No Significant Impact
Newlands Project Water Rights
Retirement Program**

FONSI NO: LO-10-01


Recommended by: Jane Schmidt
Natural Resource Specialist
Date Oct. 20, 2010


Concurred by: Carol Grenier
Desert Terminal Lakes Program
Program Manager
Date Oct. 22, 2010


Approved by: Kenneth Parr
Area Manager
Date 10/26/10



INTRODUCTION

In accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, the Lahontan Basin Area Office of the United States Bureau of Reclamation (Reclamation) has prepared a *Environmental Assessment for the Newlands Project Water Rights Retirement Program* (EA for the Retirement Program) dated October 2010, which is hereby incorporated by reference. The EA for the Retirement Program describes the environmental effects of retiring some surface water rights within Reclamation's Newlands Project in Lyon County and Churchill County, Nevada. The purpose of the Retirement Program is to benefit Pyramid Lake and to provide an alternative to time-consuming and costly legal or administrative proceedings concerning challenged water rights in the Newlands Project.

BACKGROUND

Under the Proposed Action in the EA for the Retirement Program, Reclamation proposes to provide up to \$13 million in funding for the retirement of some water rights in the Newlands Project. In part, Reclamation would provide \$3 million as appropriated by the United States by Public Law 110-161, Section 208 (a)(4), as amended by Public Law 111-8:

“Notwithstanding any other provision of law, of amounts made available under section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-171), the Secretary of the Interior—

(4) shall allocate \$3,000,000 to the Newlands Project Water Rights Fund for a Federal-State-Pyramid Lake Paiute Tribe program, to be administered by an entity identified by the 3 applicable parties for the retirement of water rights.”

Reclamation would also provide additional federal funds, in an amount up to \$10 million from Public Law 107-171, the Farm Security and Rural Investment Act of 2002, Section 2507, Desert Terminal Lakes as amended by Public Law 108-7 and Public Law 110-246 – Food, Conservation, and Energy Act of 2008 to continue the retirement of surface water rights in the Newlands Project to benefit Pyramid Lake. The retirement of water rights would not exceed 6,500 acres, including those water rights previously retired under the Nevada Assembly Bill 380 Program (A.B. 380 Program).

The Newlands Project Water Rights Retirement Program (Retirement Program) and Newlands Project Water Rights Fund would be administered by Great Basin Land and Water (GBLW), a Nevada non-profit organization. Water rights owners would be paid to retire an estimated 400 to 1,877 acres of surface water rights and at no time would the water right change ownership. In addition, the Truckee

Carson Irrigation District would receive a \$1,233 payment for each acre of surface water rights that are retired, as an offset for lost operating and maintenance revenues associated with the retirement of water rights.

Water rights to be acquired may be either active or inactive. Most of the water rights retired by the Retirement Program are expected to be currently unused, similar to the results obtained by the A.B. 380 Program. However, GBLW would work cooperatively with the U.S. Fish & Wildlife Service (FWS) to minimize competition between the Retirement Program and the FWS Water Rights Acquisition Program for Lahontan Valley Wetlands.

On September 12, 2000 Reclamation signed a Finding of No Significant Impact for the 2000 Environmental Assessment for the A.B. 380 Program (2000 EA for the A.B. 380 Program), which is hereby incorporated by reference, and decided to implement the Proposed Action alternative, providing \$7 - \$10 million of federal funds for the retirement of up to 6,500 acres of surface water rights in Reclamation's Newlands Project. The A.B. 380 Program ended in 2006, and retired 4,623 acres of water rights before funding was exhausted. Reclamation's 2000 EA for the A.B. 380 Program provided a reasonable range of alternatives for the current analysis for the 2010 Retirement Program. The EA for the Retirement Program considers whether new circumstances, new information, or changes in the action or its impacts not previously analyzed warrant new analysis.

SUMMARY OF EFFECTS

Changes between the Proposed Action alternatives described for the Retirement Program and the A.B. 380 Program are administrative in nature and would not result in any new or greater impacts beyond those previously analyzed. Changes that have occurred within the project area would not result in any new or greater effects beyond those previously analyzed. The Proposed Action would result in the retirement of an estimated 400 to 1,877 acres of surface water rights depending on the amount of funding made available. The acreage of water rights retired would not exceed the total of 6,500 acres that was analyzed in the 2000 EA for the A.B. 380 Program. The environmental effects of the Proposed Action for the Retirement Program are within the range of effects previously analyzed in the 2000 EA for the A.B. 380 Program. On the basis of the information and analysis contained in the EA for the Retirement Program, Reclamation has determined that the environmental effects are not significantly different from those addressed in the 2000 EA for the A.B. 380 Program.

Pursuant to Section 7 of the Endangered Species Act of 1973, Reclamation conducted informal consultation with the U.S. Fish & Wildlife Service (FWS) in 2000 for Reclamation's participation in the A.B. 380 Program. An August 25, 2000 letter from FWS concurred with Reclamation's finding that the proposed action is 'not likely to adversely affect' any federally listed species. Reclamation has determined that differences between the A.B. 380 Program and the

Retirement Program are administrative in nature and would not affect listed species in a manner or extent not previously analyzed. No new species have been listed for the project area, and no critical habitat has been designated that could be affected by the proposed program.

Reclamation is required to consider the impacts of project activities on Indian Trust Assets. The Proposed Action to fund the Retirement Program to retire surface water rights in the Newlands Project is estimated to provide more benefits to the trust assets of the Pyramid Lake Paiute Tribe than taking No Action because less water would be diverted from the Truckee River, resulting in more flows into Pyramid Lake and higher lake elevation over time.

Neither alternative is expected to have any effect on the trust assets, amount of agricultural land, or amount of water delivered to the Fallon Paiute-Shoshone Tribe.

Section 106 of the National Historic Preservation Act requires Federal agencies to consider the effects of an action or activity on historic properties which include archaeological sites, built environment, and sites of religious and cultural significance eligible for inclusion on the National Register of Historic Places. Reclamation archaeologists have determined the proposed action to fund the Retirement Program has no potential to affect cultural resources.

Changes to vegetative communities, wildlife and fisheries, Newlands Project operations and infrastructure, water resources, air quality, socio-economic resources, environmental justice and cumulative effects resulting from the implementation of the Retirement Program are not expected to be significant due to the relatively small magnitude of change indicated for each of these resources in the EA for the Retirement Program.

FINDINGS

Based on the analysis of the environmental impacts as described in the EA for the Retirement Program and the 2000 EA for the A.B. 380 Program, Reclamation has determined that the proposed federal action will not significantly affect the quality of the human environment, thus an environmental impact statement is not required. This Finding of No Significant Impact (FONSI) is supported by the *Environmental Assessment for the Newlands Project Water Rights Retirement Program*.

DECISION

It is Reclamation's decision to provide funding in an amount up to \$13 million for the Newlands Project Water Rights Retirement Program to retire surface water rights in the Newlands Project. The timeline for the authority to acquire water

Finding Of No Significant Impact
Newlands Project Water Rights Retirement Program

rights under the Retirement Program will terminate when a total of 6,500 acres of surface water rights in the Newlands Project are retired. This may include water rights retired by the Retirement Program, water rights previously retired by the A.B. 380 Program, or as directed by the conclusion of certain legal or administrative proceedings.